

SENATE BILL No. 493

DIGEST OF INTRODUCED BILL

Citations Affected: IC 36-7.

Synopsis: Redevelopment commission transfers. Provides that in the case of a tax increment financing allocation area established or reestablished after June 30, 2015, the governing body of a school corporation containing territory within the allocation area may, before August 1 of each year, adopt a resolution providing that property taxes must be transferred by the redevelopment commission to the school corporation in the following calendar year. Specifies that the amount of property taxes that must be transferred by the redevelopment commission to the school corporation in that year is equal to a percentage determined by the school corporation multiplied by the part of the property tax proceeds that are otherwise payable to the redevelopment commission and that are attributable to the school corporation's property tax rate for its transportation fund and the school corporation's property tax rate for its school bus replacement fund. Provides that money received by a school corporation from such a transfer must be deposited in the school corporation's transportation fund and the school corporation's school bus replacement fund.

Effective: July 1, 2015.

Kenley

January 14, 2015, read first time and referred to Committee on Tax & Fiscal Policy.



First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

SENATE BILL No. 493

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 36-7-14-39, AS AMENDED BY P.L.95-2014,
2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2015]: Sec. 39. (a) As used in this section:
4 "Allocation area" means that part of a redevelopment project area
5 to which an allocation provision of a declaratory resolution adopted
6 under section 15 of this chapter refers for purposes of distribution and
7 allocation of property taxes.
8 "Base assessed value" means the following:
9 (1) If an allocation provision is adopted after June 30, 1995, in a
10 declaratory resolution or an amendment to a declaratory
11 resolution establishing an economic development area:
12 (A) the net assessed value of all the property as finally
13 determined for the assessment date immediately preceding the
14 effective date of the allocation provision of the declaratory
15 resolution, as adjusted under subsection (h); plus
16 (B) to the extent that it is not included in clause (A), the net



- 1 assessed value of property that is assessed as residential
 2 property under the rules of the department of local government
 3 finance, as finally determined for any assessment date after the
 4 effective date of the allocation provision.
- 5 (2) If an allocation provision is adopted after June 30, 1997, in a
 6 declaratory resolution or an amendment to a declaratory
 7 resolution establishing a redevelopment project area:
- 8 (A) the net assessed value of all the property as finally
 9 determined for the assessment date immediately preceding the
 10 effective date of the allocation provision of the declaratory
 11 resolution, as adjusted under subsection (h); plus
 12 (B) to the extent that it is not included in clause (A), the net
 13 assessed value of property that is assessed as residential
 14 property under the rules of the department of local government
 15 finance, as finally determined for any assessment date after the
 16 effective date of the allocation provision.
- 17 (3) If:
- 18 (A) an allocation provision adopted before June 30, 1995, in
 19 a declaratory resolution or an amendment to a declaratory
 20 resolution establishing a redevelopment project area expires
 21 after June 30, 1997; and
 22 (B) after June 30, 1997, a new allocation provision is included
 23 in an amendment to the declaratory resolution;
 24 the net assessed value of all the property as finally determined for
 25 the assessment date immediately preceding the effective date of
 26 the allocation provision adopted after June 30, 1997, as adjusted
 27 under subsection (h).
- 28 (4) Except as provided in subdivision (5), for all other allocation
 29 areas, the net assessed value of all the property as finally
 30 determined for the assessment date immediately preceding the
 31 effective date of the allocation provision of the declaratory
 32 resolution, as adjusted under subsection (h).
- 33 (5) If an allocation area established in an economic development
 34 area before July 1, 1995, is expanded after June 30, 1995, the
 35 definition in subdivision (1) applies to the expanded part of the
 36 area added after June 30, 1995.
- 37 (6) If an allocation area established in a redevelopment project
 38 area before July 1, 1997, is expanded after June 30, 1997, the
 39 definition in subdivision (2) applies to the expanded part of the
 40 area added after June 30, 1997.
- 41 Except as provided in section 39.3 of this chapter, "property taxes"
 42 means taxes imposed under IC 6-1.1 on real property. However, upon



1 approval by a resolution of the redevelopment commission adopted
2 before June 1, 1987, "property taxes" also includes taxes imposed
3 under IC 6-1.1 on depreciable personal property. If a redevelopment
4 commission adopted before June 1, 1987, a resolution to include within
5 the definition of property taxes, taxes imposed under IC 6-1.1 on
6 depreciable personal property that has a useful life in excess of eight
7 (8) years, the commission may by resolution determine the percentage
8 of taxes imposed under IC 6-1.1 on all depreciable personal property
9 that will be included within the definition of property taxes. However,
10 the percentage included must not exceed twenty-five percent (25%) of
11 the taxes imposed under IC 6-1.1 on all depreciable personal property.

12 (b) A declaratory resolution adopted under section 15 of this chapter
13 on or before the allocation deadline determined under subsection (i)
14 may include a provision with respect to the allocation and distribution
15 of property taxes for the purposes and in the manner provided in this
16 section. A declaratory resolution previously adopted may include an
17 allocation provision by the amendment of that declaratory resolution on
18 or before the allocation deadline determined under subsection (i) in
19 accordance with the procedures required for its original adoption. A
20 declaratory resolution or amendment that establishes an allocation
21 provision must include a specific finding of fact, supported by
22 evidence, that the adoption of the allocation provision will result in
23 new property taxes in the area that would not have been generated but
24 for the adoption of the allocation provision. For an allocation area
25 established before July 1, 1995, the expiration date of any allocation
26 provisions for the allocation area is June 30, 2025, or the last date of
27 any obligations that are outstanding on July 1, 2015, whichever is later.
28 A declaratory resolution or an amendment that establishes an allocation
29 provision after June 30, 1995, must specify an expiration date for the
30 allocation provision. For an allocation area established before July 1,
31 2008, the expiration date may not be more than thirty (30) years after
32 the date on which the allocation provision is established. For an
33 allocation area established after June 30, 2008, the expiration date may
34 not be more than twenty-five (25) years after the date on which the first
35 obligation was incurred to pay principal and interest on bonds or lease
36 rentals on leases payable from tax increment revenues. However, with
37 respect to bonds or other obligations that were issued before July 1,
38 2008, if any of the bonds or other obligations that were scheduled when
39 issued to mature before the specified expiration date and that are
40 payable only from allocated tax proceeds with respect to the allocation
41 area remain outstanding as of the expiration date, the allocation
42 provision does not expire until all of the bonds or other obligations are



no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that



allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) For property taxes first due and payable before January 1, 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its repeal)) for that year as determined under IC 6-1.1-21-4 (before its repeal) that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its repeal)) levied in the taxing district that have been allocated during that year to an allocation fund under this section.

If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section



39.5 of this chapter (before its repeal) in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(L) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

(i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

(iv) Establish, augment, or restore any debt service reserve under this subdivision.

(M) Expend money and provide financial assistance as authorized in section 12.2(a)(27) of this chapter.

The allocation fund may not be used for operating expenses of the commission.



(4) Except as provided in subsection (g), before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3), plus the amount necessary for other purposes described in subdivision (3).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation of assessed value to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3) or lessors under section 25.3 of this chapter.

(C) If:

(i) the amount of excess assessed value determined by the commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds described in subdivision (3); plus

(ii) the amount necessary for other purposes described in subdivision (3);

the commission shall submit to the legislative body of the unit its determination of the excess assessed value that the commission proposes to allocate to the respective taxing units



in the manner prescribed in subdivision (1). The legislative body of the unit may approve the commission's determination or modify the amount of the excess assessed value that will be allocated to the respective taxing units in the manner prescribed in subdivision (1).

(5) The following apply to an allocation area established or reestablished after June 30, 2015:

(A) Each year, the governing body of a school corporation containing territory within the allocation area may, before August 1 of the year, adopt a resolution providing that property taxes must be transferred by the redevelopment commission to the school corporation in the following calendar year as provided in clause (B).

(B) If the governing body of a school corporation adopts a resolution under clause (A) requiring a transfer to be made in a particular year, the amount of property taxes that must be transferred by the redevelopment commission to the school corporation in that year is equal to a percentage determined by the school corporation (but not more than one hundred percent (100%)) multiplied by the part of the property tax proceeds described in subdivision (3) that:

(i) is attributable to the school corporation's property tax rate for its transportation fund under IC 20-40-6 and the school corporation's property tax rate for its school bus replacement fund under IC 20-40-7; and

(ii) is collected in that year on property that is within both the allocation area and the territory of the school corporation.

(C) If a redevelopment commission is required to make a transfer under this subdivision for a particular year, the redevelopment commission:

(i) shall not more than ten (10) days after the June semiannual settlement under IC 6-1.1-27 transfer to the school corporation the property taxes that are required to be transferred under clause (B) and that are collected before the June settlement; and

(ii) shall not more than ten (10) days after the December semiannual settlement under IC 6-1.1-27 transfer to the school corporation the property taxes that are required to be transferred under clause (B) and that are collected on or after the June settlement and before the December settlement.



(D) Money received by a school corporation from a transfer under this subdivision must be deposited in the school corporation's transportation fund under IC 20-40-6 and the school corporation's school bus replacement fund under IC 20-40-7 in the same proportion as the school corporation's property tax rate for its transportation fund under IC 20-40-6 bears to the school corporation's property tax rate for its school bus replacement fund under IC 20-40-7.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the declaratory resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(3) may, subject to subsection (b)(4), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(3).

(e) Notwithstanding any other law, each assessor shall, upon petition of the redevelopment commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection



(b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. The amount sufficient for purposes specified in subsection (b)(3) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(3), except that where reference is made in subsection (b)(3) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 and after each reassessment in an area under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection:

- (1) may not include the effect of phasing in assessed value due to property tax abatements under IC 6-1.1-12.1;
- (2) may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would



1 otherwise have been received if the general reassessment, the
 2 reassessment under the reassessment plan, or the annual
 3 adjustment had not occurred; and

4 (3) may decrease base assessed value only to the extent that
 5 assessed values in the allocation area have been decreased due to
 6 annual adjustments or the reassessment under the reassessment
 7 plan.

8 Assessed value increases attributable to the application of an abatement
 9 schedule under IC 6-1.1-12.1 may not be included in the base assessed
 10 value of an allocation area. The department of local government
 11 finance may prescribe procedures for county and township officials to
 12 follow to assist the department in making the adjustments.

13 (i) The allocation deadline referred to in subsection (b) is
 14 determined in the following manner:

15 (1) The initial allocation deadline is December 31, 2011.

16 (2) Subject to subdivision (3), the initial allocation deadline and
 17 subsequent allocation deadlines are automatically extended in
 18 increments of five (5) years, so that allocation deadlines
 19 subsequent to the initial allocation deadline fall on December 31,
 20 2016, and December 31 of each fifth year thereafter.

21 (3) At least one (1) year before the date of an allocation deadline
 22 determined under subdivision (2), the general assembly may enact
 23 a law that:

24 (A) terminates the automatic extension of allocation deadlines
 25 under subdivision (2); and

26 (B) specifically designates a particular date as the final
 27 allocation deadline.

28 SECTION 2. IC 36-7-15.1-26, AS AMENDED BY P.L.95-2014,
 29 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 30 JULY 1, 2015]: Sec. 26. (a) As used in this section:

31 "Allocation area" means that part of a redevelopment project area
 32 to which an allocation provision of a resolution adopted under section
 33 8 of this chapter refers for purposes of distribution and allocation of
 34 property taxes.

35 "Base assessed value" means the following:

36 (1) If an allocation provision is adopted after June 30, 1995, in a
 37 declaratory resolution or an amendment to a declaratory
 38 resolution establishing an economic development area:

39 (A) the net assessed value of all the property as finally
 40 determined for the assessment date immediately preceding the
 41 effective date of the allocation provision of the declaratory
 42 resolution, as adjusted under subsection (h); plus



- 1 (B) to the extent that it is not included in clause (A), the net
 2 assessed value of property that is assessed as residential
 3 property under the rules of the department of local government
 4 finance, as finally determined for any assessment date after the
 5 effective date of the allocation provision.
- 6 (2) If an allocation provision is adopted after June 30, 1997, in a
 7 declaratory resolution or an amendment to a declaratory
 8 resolution establishing a redevelopment project area:
- 9 (A) the net assessed value of all the property as finally
 10 determined for the assessment date immediately preceding the
 11 effective date of the allocation provision of the declaratory
 12 resolution, as adjusted under subsection (h); plus
- 13 (B) to the extent that it is not included in clause (A), the net
 14 assessed value of property that is assessed as residential
 15 property under the rules of the department of local government
 16 finance, as finally determined for any assessment date after the
 17 effective date of the allocation provision.
- 18 (3) If:
- 19 (A) an allocation provision adopted before June 30, 1995, in
 20 a declaratory resolution or an amendment to a declaratory
 21 resolution establishing a redevelopment project area expires
 22 after June 30, 1997; and
- 23 (B) after June 30, 1997, a new allocation provision is included
 24 in an amendment to the declaratory resolution;
 25 the net assessed value of all the property as finally determined for
 26 the assessment date immediately preceding the effective date of
 27 the allocation provision adopted after June 30, 1997, as adjusted
 28 under subsection (h).
- 29 (4) Except as provided in subdivision (5), for all other allocation
 30 areas, the net assessed value of all the property as finally
 31 determined for the assessment date immediately preceding the
 32 effective date of the allocation provision of the declaratory
 33 resolution, as adjusted under subsection (h).
- 34 (5) If an allocation area established in an economic development
 35 area before July 1, 1995, is expanded after June 30, 1995, the
 36 definition in subdivision (1) applies to the expanded part of the
 37 area added after June 30, 1995.
- 38 (6) If an allocation area established in a redevelopment project
 39 area before July 1, 1997, is expanded after June 30, 1997, the
 40 definition in subdivision (2) applies to the expanded part of the
 41 area added after June 30, 1997.
- 42 Except as provided in section 26.2 of this chapter, "property taxes"



1 means taxes imposed under IC 6-1.1 on real property. However, upon
2 approval by a resolution of the redevelopment commission adopted
3 before June 1, 1987, "property taxes" also includes taxes imposed
4 under IC 6-1.1 on depreciable personal property. If a redevelopment
5 commission adopted before June 1, 1987, a resolution to include within
6 the definition of property taxes, taxes imposed under IC 6-1.1 on
7 depreciable personal property that has a useful life in excess of eight
8 (8) years, the commission may by resolution determine the percentage
9 of taxes imposed under IC 6-1.1 on all depreciable personal property
10 that will be included within the definition of property taxes. However,
11 the percentage included must not exceed twenty-five percent (25%) of
12 the taxes imposed under IC 6-1.1 on all depreciable personal property.

13 (b) A resolution adopted under section 8 of this chapter on or before
14 the allocation deadline determined under subsection (i) may include a
15 provision with respect to the allocation and distribution of property
16 taxes for the purposes and in the manner provided in this section. A
17 resolution previously adopted may include an allocation provision by
18 the amendment of that resolution on or before the allocation deadline
19 determined under subsection (i) in accordance with the procedures
20 required for its original adoption. A declaratory resolution or
21 amendment that establishes an allocation provision must include a
22 specific finding of fact, supported by evidence, that the adoption of the
23 allocation provision will result in new property taxes in the area that
24 would not have been generated but for the adoption of the allocation
25 provision. For an allocation area established before July 1, 1995, the
26 expiration date of any allocation provisions for the allocation area is
27 June 30, 2025, or the last date of any obligations that are outstanding
28 on July 1, 2015, whichever is later. However, an expiration date
29 imposed by this subsection does not apply to an allocation area
30 identified as the Consolidated Allocation Area in the report submitted
31 in 2013 to the fiscal body under section 36.3 of this chapter. A
32 declaratory resolution or an amendment that establishes an allocation
33 provision after June 30, 1995, must specify an expiration date for the
34 allocation provision. For an allocation area established before July 1,
35 2008, the expiration date may not be more than thirty (30) years after
36 the date on which the allocation provision is established. For an
37 allocation area established after June 30, 2008, the expiration date may
38 not be more than twenty-five (25) years after the date on which the first
39 obligation was incurred to pay principal and interest on bonds or lease
40 rentals on leases payable from tax increment revenues. However, with
41 respect to bonds or other obligations that were issued before July 1,
42 2008, if any of the bonds or other obligations that were scheduled when



1 issued to mature before the specified expiration date and that are
 2 payable only from allocated tax proceeds with respect to the allocation
 3 area remain outstanding as of the expiration date, the allocation
 4 provision does not expire until all of the bonds or other obligations are
 5 no longer outstanding. The allocation provision may apply to all or part
 6 of the redevelopment project area. The allocation provision must
 7 require that any property taxes subsequently levied by or for the benefit
 8 of any public body entitled to a distribution of property taxes on taxable
 9 property in the allocation area be allocated and distributed as follows:

10 (1) Except as otherwise provided in this section, the proceeds of
 11 the taxes attributable to the lesser of:

12 (A) the assessed value of the property for the assessment date
 13 with respect to which the allocation and distribution is made;
 14 or

15 (B) the base assessed value;
 16 shall be allocated to and, when collected, paid into the funds of
 17 the respective taxing units.

18 (2) The excess of the proceeds of the property taxes imposed for
 19 the assessment date with respect to which the allocation and
 20 distribution is made that are attributable to taxes imposed after
 21 being approved by the voters in a referendum or local public
 22 question conducted after April 30, 2010, not otherwise included
 23 in subdivision (1) shall be allocated to and, when collected, paid
 24 into the funds of the taxing unit for which the referendum or local
 25 public question was conducted.

26 (3) Except as otherwise provided in this section, property tax
 27 proceeds in excess of those described in subdivisions (1) and (2)
 28 shall be allocated to the redevelopment district and, when
 29 collected, paid into a special fund for that allocation area that may
 30 be used by the redevelopment district only to do one (1) or more
 31 of the following:

32 (A) Pay the principal of and interest on any obligations
 33 payable solely from allocated tax proceeds that are incurred by
 34 the redevelopment district for the purpose of financing or
 35 refinancing the redevelopment of that allocation area.

36 (B) Establish, augment, or restore the debt service reserve for
 37 bonds payable solely or in part from allocated tax proceeds in
 38 that allocation area.

39 (C) Pay the principal of and interest on bonds payable from
 40 allocated tax proceeds in that allocation area and from the
 41 special tax levied under section 19 of this chapter.

42 (D) Pay the principal of and interest on bonds issued by the



consolidated city to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(J) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

(i) Make, when due, any payments required under clauses (A) through (I), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this



subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.

(ii) Make any reimbursements required under this subdivision.

(iii) Pay any expenses required under this subdivision.

(iv) Establish, augment, or restore any debt service reserve under this subdivision.

(K) Expend money and provide financial assistance as authorized in section 7(a)(21) of this chapter.

The special fund may not be used for operating expenses of the commission.

(4) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3) and subsection (g).

(B) Provide a written notice to the county auditor, the legislative body of the consolidated city, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission. The commission may not authorize an allocation to the respective taxing units under this subdivision if to do so would endanger the interests of the holders of bonds described in subdivision (3).

(C) If:

(i) the amount of excess assessed value determined by the



commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds described in subdivision (3); plus

(ii) the amount necessary for other purposes described in subdivision (3) and subsection (g);

the commission shall submit to the legislative body of the unit the commission's determination of the excess assessed value that the commission proposes to allocate to the respective taxing units in the manner prescribed in subdivision (1). The legislative body of the unit may approve the commission's determination or modify the amount of the excess assessed value that will be allocated to the respective taxing units in the manner prescribed in subdivision (1).

(5) The following apply to an allocation area established or reestablished after June 30, 2015:

(A) Each year, the governing body of a school corporation containing territory within the allocation area may, before August 1 of the year, adopt a resolution providing that property taxes must be transferred by the redevelopment commission to the school corporation in the following calendar year as provided in clause (B).

(B) If the governing body of a school corporation adopts a resolution under clause (A) requiring a transfer to be made in a particular year, the amount of property taxes that must be transferred by the redevelopment commission to the school corporation in that year is equal to a percentage determined by the school corporation (but not more than one hundred percent (100%)) multiplied by the part of the property tax proceeds described in subdivision (3) that:

(i) is attributable to the school corporation's property tax rate for its transportation fund under IC 20-40-6 and the school corporation's property tax rate for its school bus replacement fund under IC 20-40-7; and

(ii) is collected in that year on property that is within both the allocation area and the territory of the school corporation.

(C) If a redevelopment commission is required to make a transfer under this subdivision for a particular year, the redevelopment commission:

(i) shall not more than ten (10) days after the June semiannual settlement under IC 6-1.1-27 transfer to the



1 school corporation the property taxes that are required
 2 to be transferred under clause (B) and that are collected
 3 before the June settlement; and

4 (ii) shall not more than ten (10) days after the December
 5 semiannual settlement under IC 6-1.1-27 transfer to the
 6 school corporation the property taxes that are required
 7 to be transferred under clause (B) and that are collected
 8 on or after the June settlement and before the December
 9 settlement.

10 (D) Money received by a school corporation from a
 11 transfer under this subdivision must be deposited in the
 12 school corporation's transportation fund under IC 20-40-6
 13 and the school corporation's school bus replacement fund
 14 under IC 20-40-7 in the same proportion as the school
 15 corporation's property tax rate for its transportation fund
 16 under IC 20-40-6 bears to the school corporation's
 17 property tax rate for its school bus replacement fund
 18 under IC 20-40-7.

19 (c) For the purpose of allocating taxes levied by or for any taxing
 20 unit or units, the assessed value of taxable property in a territory in the
 21 allocation area that is annexed by any taxing unit after the effective
 22 date of the allocation provision of the resolution is the lesser of:

- 23 (1) the assessed value of the property for the assessment date with
- 24 respect to which the allocation and distribution is made; or
- 25 (2) the base assessed value.

26 (d) Property tax proceeds allocable to the redevelopment district
 27 under subsection (b)(3) may, subject to subsection (b)(4), be
 28 irrevocably pledged by the redevelopment district for payment as set
 29 forth in subsection (b)(3).

30 (e) Notwithstanding any other law, each assessor shall, upon
 31 petition of the commission, reassess the taxable property situated upon
 32 or in, or added to, the allocation area, effective on the next assessment
 33 date after the petition.

34 (f) Notwithstanding any other law, the assessed value of all taxable
 35 property in the allocation area, for purposes of tax limitation, property
 36 tax replacement, and formulation of the budget, tax rate, and tax levy
 37 for each political subdivision in which the property is located is the
 38 lesser of:

- 39 (1) the assessed value of the property as valued without regard to
- 40 this section; or
- 41 (2) the base assessed value.

42 (g) If any part of the allocation area is located in an enterprise zone



created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(3). However, where reference is made in subsection (b)(3) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 and after each reassessment under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government



1 finance shall adjust the base assessed value one (1) time to neutralize
 2 any effect of the reassessment of the real property in the area on the
 3 property tax proceeds allocated to the redevelopment district under this
 4 section. After each annual adjustment under IC 6-1.1-4-4.5, the
 5 department of local government finance shall adjust the base assessed
 6 value to neutralize any effect of the annual adjustment on the property
 7 tax proceeds allocated to the redevelopment district under this section.
 8 However, the adjustments under this subsection may not include the
 9 effect of property tax abatements under IC 6-1.1-12.1, and these
 10 adjustments may not produce less property tax proceeds allocable to
 11 the redevelopment district under subsection (b)(3) than would
 12 otherwise have been received if the general reassessment, reassessment
 13 under the reassessment plan, or annual adjustment had not occurred.
 14 The department of local government finance may prescribe procedures
 15 for county and township officials to follow to assist the department in
 16 making the adjustments.

17 (i) The allocation deadline referred to in subsection (b) is
 18 determined in the following manner:

19 (1) The initial allocation deadline is December 31, 2011.

20 (2) Subject to subdivision (3), the initial allocation deadline and
 21 subsequent allocation deadlines are automatically extended in
 22 increments of five (5) years, so that allocation deadlines
 23 subsequent to the initial allocation deadline fall on December 31,
 24 2016, and December 31 of each fifth year thereafter.

25 (3) At least one (1) year before the date of an allocation deadline
 26 determined under subdivision (2), the general assembly may enact
 27 a law that:

28 (A) terminates the automatic extension of allocation deadlines
 29 under subdivision (2); and

30 (B) specifically designates a particular date as the final
 31 allocation deadline.

32 SECTION 3. IC 36-7-15.1-53, AS AMENDED BY P.L.112-2012,
 33 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 34 JULY 1, 2015]: Sec. 53. (a) As used in this section:

35 "Allocation area" means that part of a redevelopment project area
 36 to which an allocation provision of a resolution adopted under section
 37 40 of this chapter refers for purposes of distribution and allocation of
 38 property taxes.

39 "Base assessed value" means:

40 (1) the net assessed value of all the property as finally determined
 41 for the assessment date immediately preceding the effective date
 42 of the allocation provision of the declaratory resolution, as



1 adjusted under subsection (h); plus
 2 (2) to the extent that it is not included in subdivision (1), the net
 3 assessed value of property that is assessed as residential property
 4 under the rules of the department of local government finance, as
 5 finally determined for any assessment date after the effective date
 6 of the allocation provision.

7 Except as provided in section 55 of this chapter, "property taxes"
 8 means taxes imposed under IC 6-1.1 on real property.

9 (b) A resolution adopted under section 40 of this chapter on or
 10 before the allocation deadline determined under subsection (i) may
 11 include a provision with respect to the allocation and distribution of
 12 property taxes for the purposes and in the manner provided in this
 13 section. A resolution previously adopted may include an allocation
 14 provision by the amendment of that resolution on or before the
 15 allocation deadline determined under subsection (i) in accordance with
 16 the procedures required for its original adoption. A declaratory
 17 resolution or an amendment that establishes an allocation provision
 18 must be approved by resolution of the legislative body of the excluded
 19 city and must specify an expiration date for the allocation provision.
 20 For an allocation area established before July 1, 2008, the expiration
 21 date may not be more than thirty (30) years after the date on which the
 22 allocation provision is established. For an allocation area established
 23 after June 30, 2008, the expiration date may not be more than
 24 twenty-five (25) years after the date on which the first obligation was
 25 incurred to pay principal and interest on bonds or lease rentals on
 26 leases payable from tax increment revenues. However, with respect to
 27 bonds or other obligations that were issued before July 1, 2008, if any
 28 of the bonds or other obligations that were scheduled when issued to
 29 mature before the specified expiration date and that are payable only
 30 from allocated tax proceeds with respect to the allocation area remain
 31 outstanding as of the expiration date, the allocation provision does not
 32 expire until all of the bonds or other obligations are no longer
 33 outstanding. The allocation provision may apply to all or part of the
 34 redevelopment project area. The allocation provision must require that
 35 any property taxes subsequently levied by or for the benefit of any
 36 public body entitled to a distribution of property taxes on taxable
 37 property in the allocation area be allocated and distributed as follows:

38 (1) Except as otherwise provided in this section, the proceeds of
 39 the taxes attributable to the lesser of:

40 (A) the assessed value of the property for the assessment date
 41 with respect to which the allocation and distribution is made;
 42 or



- 1 (B) the base assessed value;
 2 shall be allocated to and, when collected, paid into the funds of
 3 the respective taxing units.
 4 (2) The excess of the proceeds of the property taxes imposed for
 5 the assessment date with respect to which the allocation and
 6 distribution is made that are attributable to taxes imposed after
 7 being approved by the voters in a referendum or local public
 8 question conducted after April 30, 2010, not otherwise included
 9 in subdivision (1) shall be allocated to and, when collected, paid
 10 into the funds of the taxing unit for which the referendum or local
 11 public question was conducted.
 12 (3) Except as otherwise provided in this section, property tax
 13 proceeds in excess of those described in subdivisions (1) and (2)
 14 shall be allocated to the redevelopment district and, when
 15 collected, paid into a special fund for that allocation area that may
 16 be used by the redevelopment district only to do one (1) or more
 17 of the following:
 18 (A) Pay the principal of and interest on any obligations
 19 payable solely from allocated tax proceeds that are incurred by
 20 the redevelopment district for the purpose of financing or
 21 refinancing the redevelopment of that allocation area.
 22 (B) Establish, augment, or restore the debt service reserve for
 23 bonds payable solely or in part from allocated tax proceeds in
 24 that allocation area.
 25 (C) Pay the principal of and interest on bonds payable from
 26 allocated tax proceeds in that allocation area and from the
 27 special tax levied under section 50 of this chapter.
 28 (D) Pay the principal of and interest on bonds issued by the
 29 excluded city to pay for local public improvements that are
 30 physically located in or physically connected to that allocation
 31 area.
 32 (E) Pay premiums on the redemption before maturity of bonds
 33 payable solely or in part from allocated tax proceeds in that
 34 allocation area.
 35 (F) Make payments on leases payable from allocated tax
 36 proceeds in that allocation area under section 46 of this
 37 chapter.
 38 (G) Reimburse the excluded city for expenditures for local
 39 public improvements (which include buildings, park facilities,
 40 and other items set forth in section 45 of this chapter) that are
 41 physically located in or physically connected to that allocation
 42 area.



(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(4) Before July 15 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3) and subsection (g).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, and the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area. The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or

(ii) state that the commission has determined that there is no excess assessed value that may be allocated to the respective



taxing units in the manner prescribed in subdivision (1).
 The county auditor shall allocate to the respective taxing units
 the amount, if any, of excess assessed value determined by the
 commission. The commission may not authorize an allocation
 to the respective taxing units under this subdivision if to do so
 would endanger the interests of the holders of bonds described
 in subdivision (3).

**(5) The following apply to an allocation area established or
 reestablished after June 30, 2015:**

**(A) Each year, the governing body of a school corporation
 containing territory within the allocation area may, before
 August 1 of the year, adopt a resolution providing that
 property taxes must be transferred by the redevelopment
 commission to the school corporation in the following
 calendar year as provided in clause (B).**

**(B) If the governing body of a school corporation adopts a
 resolution under clause (A) requiring a transfer to be made
 in a particular year, the amount of property taxes that
 must be transferred by the redevelopment commission to
 the school corporation in that year is equal to a percentage
 determined by the school corporation (but not more than
 one hundred percent (100%)) multiplied by the part of the
 property tax proceeds described in subdivision (3) that:**

**(i) is attributable to the school corporation's property
 tax rate for its transportation fund under IC 20-40-6 and
 the school corporation's property tax rate for its school
 bus replacement fund under IC 20-40-7; and**

**(ii) is collected in that year on property that is within
 both the allocation area and the territory of the school
 corporation.**

**(C) If a redevelopment commission is required to make a
 transfer under this subdivision for a particular year, the
 redevelopment commission:**

**(i) shall not more than ten (10) days after the June
 semiannual settlement under IC 6-1.1-27 transfer to the
 school corporation the property taxes that are required
 to be transferred under clause (B) and that are collected
 before the June settlement; and**

**(ii) shall not more than ten (10) days after the December
 semiannual settlement under IC 6-1.1-27 transfer to the
 school corporation the property taxes that are required
 to be transferred under clause (B) and that are collected**



on or after the June settlement and before the December settlement.

(D) Money received by a school corporation from a transfer under this subdivision must be deposited in the school corporation's transportation fund under IC 20-40-6 and the school corporation's school bus replacement fund under IC 20-40-7 in the same proportion as the school corporation's property tax rate for its transportation fund under IC 20-40-6 bears to the school corporation's property tax rate for its school bus replacement fund under IC 20-40-7.

(c) For the purpose of allocating taxes levied by or for any taxing unit or units, the assessed value of taxable property in a territory in the allocation area that is annexed by any taxing unit after the effective date of the allocation provision of the resolution is the lesser of:

- (1) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or
- (2) the base assessed value.

(d) Property tax proceeds allocable to the redevelopment district under subsection (b)(3) may, subject to subsection (b)(4), be irrevocably pledged by the redevelopment district for payment as set forth in subsection (b)(3).

(e) Notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable property situated upon or in, or added to, the allocation area, effective on the next assessment date after the petition.

(f) Notwithstanding any other law, the assessed value of all taxable property in the allocation area, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located, is the lesser of:

- (1) the assessed value of the property as valued without regard to this section; or
- (2) the base assessed value.

(g) If any part of the allocation area is located in an enterprise zone created under IC 5-28-15, the unit that designated the allocation area shall create funds as specified in this subsection. A unit that has obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish an allocation fund for the purposes specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived



from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(3). However, where reference is made in subsection (b)(3) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 or reassessment under a county's reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section.



1 However, the adjustments under this subsection may not include the
2 effect of property tax abatements under IC 6-1.1-12.1, and these
3 adjustments may not produce less property tax proceeds allocable to
4 the redevelopment district under subsection (b)(3) than would
5 otherwise have been received if the general reassessment, reassessment
6 under the county's reassessment plan, or annual adjustment had not
7 occurred. The department of local government finance may prescribe
8 procedures for county and township officials to follow to assist the
9 department in making the adjustments.

10 (i) The allocation deadline referred to in subsection (b) is
11 determined in the following manner:

12 (1) The initial allocation deadline is December 31, 2011.

13 (2) Subject to subdivision (3), the initial allocation deadline and
14 subsequent allocation deadlines are automatically extended in
15 increments of five (5) years, so that allocation deadlines
16 subsequent to the initial allocation deadline fall on December 31,
17 2016, and December 31 of each fifth year thereafter.

18 (3) At least one (1) year before the date of an allocation deadline
19 determined under subdivision (2), the general assembly may enact
20 a law that:

21 (A) terminates the automatic extension of allocation deadlines
22 under subdivision (2); and

23 (B) specifically designates a particular date as the final
24 allocation deadline.

